



BUDGET BRIEFS

THE GOVERNOR'S K-12 EDUCATION INITIATIVES

IN THIS BRIEF:

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EXECUTIVE SUMMARY

The Governor's Budget proposes major funding increases for K-12 education, significantly more than the amount required by the Constitution. In addition, while the Budget includes several major new initiatives at significant out-year costs, it provides only limited general purpose funding for K-12 schools to use based on local priorities and no funding for school construction.

THE PROPOSITION 98 GUARANTEE

Proposition 98 provides a minimum funding guarantee for K-12 schools and community colleges. This guarantee is based on "tests" measuring economic and revenue factors. While the budget year is projected to be a "Test 3" year under Proposition 98 (at \$44.5 billion), the Governor has chosen to fund Proposition 98 as if it were a "Test 2" year (at \$46.4 billion) – \$1.9 billion over the "Test 3" minimum guarantee.

PROPOSITION 98 FUNDING TESTS

- ✍✍Test 1** – K-14 schools get at least 34.6 percent of state General Fund revenue.
- ✍✍Test 2** – K-14 schools get what they got last year plus growth funding plus a COLA based on the *percentage change in per capita income*.
- ✍✍Test 3** – K-14 schools get what they got last year plus growth funding plus a COLA based on the *percentage change in per capita General Fund revenue plus 1/2 percent*.

TEACHER PROFESSIONAL DEVELOPMENT INITIATIVE

The Governor's Budget proposes \$335 million to fund mathematics and reading professional development for 252,000 teachers and 22,000 instructional aides. The Budget proposes that 2001-02 be the first year of a three-year program, with a second round of \$335 million in 2002-03, and \$160 million in 2003-04, for a total of \$830 million. Similar to the University of California-administered Professional Development Institutes (PDIs), teachers would receive 40 hours of out-of-classroom training, followed by 80 hours throughout the year of additional training and support. The training would have to meet the same standards of the PDIs, be approved by the State Board of Education, and focus on the state's academic standards. School districts would receive \$2,500 per teacher trained and \$1,000 per instructional aide trained, and would be required to use standards-based instructional materials in their classrooms. There are two major issues regarding this proposal:

Are there sufficient professional development providers in the state to meet the demand required by the proposal?

Can UC and the SBE guarantee the quality of the professional development programs given the numbers of providers needed and teachers to be trained?

LONGER YEAR FOR MIDDLE SCHOOL

The Governor's Budget includes \$100 million for 2001-02 to fund a longer school year for middle school students. This would be the first installment of a three-year phase-in. The second year increase would be \$450 million and an additional \$900 million would be required upon full implementation in year three, for a total ongoing commitment of \$1.45 billion beginning in 2003-04. Under this proposal, participating schools with at least two grades of 6th, 7th, 8th, or 9th would receive incentive funding of \$770 per student. In turn, these schools would be required to extend their school year by 30 instructional days (six weeks) and to align their textbooks with state academic standards. The stated purpose of this initiative is that it is necessary to focus resources on middle schools because the statewide assessment (known as the STAR test or the SAT 9) shows a stagnation of academic achievement in middle grades, whereas primary grades have shown significant gains over the last three years. Moreover, middle school students need to be prepared to pass the high school exit exam which, under existing law, will be a condition of graduation beginning in 2003-04.

Considerable attention has been paid to the middle school proposal by school professionals and parents, and a number of issues need to be addressed. For example, while it is true that middle grade students *as a whole* show weaker scores than students in other grades, is it efficient to require *all* middle school students to attend more class days? More importantly, to the extent that the instruction received during the 180-day school year is not producing levels of achievement deemed adequate, it is unclear that providing "more of the same" for 30 additional days would correct the deficiency. From a parent's perspective, scheduling difficulties would be created if, for example, one child were in middle school and another in elementary school. In addition, if a school district required a middle school student to attend summer school for six weeks in order to avoid being retained, the additional six weeks required by this proposal would leave the child with very little opportunity for summer activities such as camp, travel, and other summer activities.

ALGEBRA INITIATIVE

The Budget proposes a \$30 million incentive program to attract and retain qualified algebra teachers to middle and high schools. This proposal has merit. It is intended to increase the number of qualified instructors for these grade levels, in which there is currently a substantial shortage, and to help schools and

students meet the requirement to teach and take (respectively) a course in algebra while in high school, pursuant to SB 1354 (Poochigian), signed into law last year. Under this proposal, \$50 would be provided for each student currently taking algebra and \$100 would be provided for each additional student who takes algebra in subsequent years. Schools would be permitted to use the funding for salary incentives, training, lower class sizes, or to improve pre-algebra skills of students having difficulty in mathematics.

THE BUDGET PROPOSES NO SCHOOL CONSTRUCTION FUNDING

One item missing from the Governor's Budget is any recognition of the value of pay-as-you-go school facilities funding. The Governor would provide only the statutorily required one-half of one percent state match for deferred maintenance – \$185 million. In contrast, the Joint Republican Caucus proposal to invest \$1 billion of one-time General Fund resources to help school districts build schools could immediately fund all new construction applications awaiting approval by the State Allocation Board.

WHAT SHOULD THE PROPOSITION 98 FUNDING LEVEL BE?

As noted above, the Budget proposes to fund Proposition 98 at the higher "Test 2" level rather than the "Test 3" level guaranteed by the Constitution. A large portion of this \$1.9 billion difference is proposed for new programs of questionable merit. The important budget issue that needs to be addressed is whether this \$1.9 billion above the minimum guarantee should be used for education or for other priorities such as infrastructure, safety net, and tax reduction.

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